

From: "Art Lane" <alane@smartcu.org> on 10/09/2007 04:00:03 PM

Subject: Truth in Lending

To: The Board of Governors of the Federal Reserve System

REF: Docket R-1286

Dear Sir or Madame:

My primary objection to the proposed changes to Reg Z pertains to the multi-featured open-end lending rules.

The open-end lending system as used by Credit Unions has been around for over 25 years and is working well with few complaints.

Credit Union members have relied on the current open-end method of lending from their credit union for years. They love the ease of applying/funding their advance without having to come back into the office to sign additional documents.

The Master Loan Agreement and the Advance Voucher give adequate disclosures to the members regarding each loan advance.

We use the open-end lending method as we have found that credit union members make all different types of loans and many of the same type of loan during their membership. The open-end Master Loan Agreement helps make the credit union/membership relationship work – it is beneficial to both parties.

Changing the rules will cause hardship on the members and credit unions (members cannot obtain funds as easily and efficiently as they currently do with open-end lending, there will be additional paperwork, credit union operational changes will need to be made, etc...).

I am unsure why changes need to be made, I don't see the problem. Why fix a system that isn't broken?

Art Lane | Manager of Lending Systems | Smart Financial Credit Union |